

ADMINISTRATIVE AGREEMENT

This Administrative Agreement ("Agreement") is made between the United States Army ("Army"), acting through its Suspension & Debarment Official ("SDO"), on behalf of the U.S. Government as the lead agency for determining the present responsibility of the Contractor and Daewoo Engineering & Construction Company, Limited ("Daewoo" or the "Contractor").

A. PREAMBLE

1. The United States entered a "Compact of Free Association" with the Republic of Palau effective 1 October 1994. The Compact called for the Government to build a fifty-three-mile, two-lane road on Palau's island of Babeldaop (the Compact Road). The U.S. Army Corps of Engineers (USACE) was responsible for designing the Compact Road, awarding a contract for construction of the Compact Road, and for monitoring its construction

2. Daewoo was founded in 1973 and is based in Seoul, South Korea. Daewoo operates four divisions: Civil Business, Plant Business, Building Works, and Housing Business. The Civil Business division's activities include construction of roads, railways, water supply and drainage systems, leisure facilities, and harbors. In 2006, Kumho Asiana Group (Kumho) incorporated Daewoo as a subsidiary keeping the business name. Kumho is a South Korean conglomerate with subsidiaries in the automotive, industry, leisure, logistic, chemical, and airline sectors.

3. In 1999, USACE awarded contract DACW83-99-C-0005 to Daewoo for the construction of the Compact Road (the Contract) based upon representations made by Daewoo in its technical and price proposals. During the course of performance of the Contract, Daewoo sought modifications to the specifications, which included reduction of embankment compaction requirements. Daewoo also prepared a request for an equitable adjustment based upon an alleged differing site condition and defective specifications.

4. The request for equitable adjustment alleged that contract clause SCC-1 [Time Extensions for Unusually Severe Weather] was defective, that the contract-provided method for embankment construction was defective, and that the work was impossible to achieve within the time for performance. Daewoo's certified claim sought a total of \$64 million in equitable adjustments \$13.4 million in incurred costs as of December 31, 2001, and projected additional costs of \$50 million not yet incurred. The request for equitable adjustment was denied and Daewoo converted the request into a certified claim, which the contracting officer also denied.

5. After Daewoo's certified claim was denied by the Government, Daewoo filed a complaint with the United States Court of Federal Claims (the COFC) for approximately \$64 million. During the course of the trial, the Government filed counter claims in fraud.

6. On October 13, 2006, the COFC issued a decision finding Daewoo submitted fraudulent claims to USACE arising from the Contract. COFC's decision denied Daewoo's claim and found that \$50 million of its claim was unsupported. COFC found that Daewoo induced the

Government fraudulently to award the Contract. COFC ordered judgment for the Government in the amount of \$50 million, and an additional \$10,000 penalty for violating the False Claims Act.

7. In reaching this decision, the COFC found that Daewoo filed at least \$50 million of its certified claim as a negotiating ploy to gain leverage against the Government which COFC found to have been filed in bad faith in violation of the Contract Disputes Act, 41 U.S.C. § 604.

8. The COFC held that Daewoo made the claim for purposes other than a good faith belief that the Government owed Daewoo that amount and, in fact, did not believe that the Government owed it \$64 million as a matter of right. The COFC also found that Daewoo's claim was inflated by using USACE's Construction Equipment Ownership and Operating Expense Schedule rather than actual costs, which would have led to lower cost figures. In its calculations, Daewoo also included scrapped equipment, and equipment that had been depreciated beyond its cost.

9. Daewoo's proposal included a list of the key personnel and subcontractors Daewoo would use to complete the contract requirements. The COFC held that Daewoo did not disclose to USACE at the time it submitted its proposal that it had made changes to key personnel, subcontractors, or sequences and methods of work. This included the failure to disclose that an experienced project manager included in the proposal was unavailable; that Daewoo was meeting with subcontractors to perform the earthwork, which Daewoo had indicated would be self performed, that Daewoo would not be doing earthwork and asphalt paving concurrently; that it would not be running double shifts; and that it would be changing the sequence of work that it had initially proposed. The COFC determined that USACE gave Daewoo high technical scores on its final proposal and awarded it the Contract based upon these inaccurate representations in Daewoo's proposal.

10. Daewoo filed an appeal with the United States Court of Appeals for the Federal Circuit (CAFC). On February 20, 2009, CAFC affirmed COFC's decision. The company has paid the judgment issued by the COFC.

11. In order to assure its present responsibility, Daewoo agrees to execute and take the remedial actions specified in this Agreement, including Section C, Contractor Responsibility Program, subject to the terms and conditions described in Section D, General Conditions, and Section E, Administration of this Agreement.

12. The Army has determined that the terms and conditions of this Agreement, if complied with, provide adequate assurance that the interests of the Government will be sufficiently protected to preclude the necessity of debarment or suspension of Daewoo. Upon the Effective Date of this Agreement, the Government agrees Daewoo will no longer be proposed for debarment and will not be debarred or suspended for any of the events or actions giving rise to this Agreement.

13. This Agreement is effective for a period of five years (60 months) from the Effective Date. Upon completion of the third year of the Agreement, Daewoo may request a review of its performance under the Agreement and ask that the SDO determine if it has fulfilled its

obligations under the Agreement. The decision concerning the fulfillment of Daewoo's obligations shall be at the sole discretion of the SDO. In addition, at any time after the completion of the third year of the Agreement, Daewoo may present information for consideration by the SDO regarding its performance under the Agreement and request a reconsideration of the SDO's decision to maintain the Agreement in force.

NOW THEREFORE, in consideration of the promises set forth herein and for good and valuable consideration, the parties mutually agree as follows.

B. DEFINITIONS

1. "Army" refers to the United States Army acting on behalf of the United States Government. Specific points of contact for this Agreement are the Suspension and Debarment Official and the United States Army Legal Services Agency, Contract and Fiscal Law Division, Procurement Fraud Branch and their designees.

2. "Attachment" refers to documents which are incorporated by reference into this Agreement. Attachments contain material relevant to the basis for entering into this Agreement or discuss specific aspects of its implementation. Attachments may be modified after the entry of this Agreement into force without altering the basic Agreement itself at the express agreement of the parties. As executed, there are three "Attachments" to this Agreement: Attachment 1 – U.S. Court of Federal Claims Decision dated October 13, 2006; Attachment 2 – U.S. Court of Appeals for the Federal Circuit Decision dated February 20, 2009; Attachment 3 – Daewoo's Organizational Chart.

3. "Appendix" or "Appendices" refer to modifications to the Agreement itself. Appendices may be added at the agreement of the parties to address a new or unforeseen issue related to the implementation of the Agreement.

4. "Chief Ethics & Compliance Officer" refers to a managerial officer of the Contractor who will be the first point of contact for all questions regarding the terms and conditions of this Agreement.

5. "Contractor" refers to Daewoo Engineering & Construction Company, Limited, a subdivision of Kumho Asiana Group, including Daewoo's divisions, operating units, groups and other subsidiaries, as appropriate, including its directors, officers, and employees, while acting in their capacities as such.

6. "Days" refers to calendar days.

7. "DFARS" refers to the Defense Federal Acquisition Regulation Supplement.

8. "Effective Date" refers to the date on which this Agreement has been signed by all parties to the Agreement.

9. "Employee" refers to officers, managers, and supervisors. All other full and part-time workers, whose performance is under the direct supervision and control of the Contractor, will be considered "employees" solely for training purposes. Consultants and temporary workers shall be made aware of this Agreement and the standing Contractor Responsibility Program, and, to the extent engaged in the formation or administration of contracts with the Government, furnished copies of the Code of Corporate Conduct and the Government Contracting Policies and Procedures.

10. "FAR" refers to the Federal Acquisition Regulation.

11. "Government" refers to any department, agency, division, independent establishment, or wholly-owned corporation of the United States Government.

12. "Independent Cause for Suspension or Debarment" refers to a reason or basis for such action not directly related to information set forth in the Preamble or any document referred to in the Preamble.

13. "Ombudsperson" refers to an independent attorney, certified public accountant, or other expert knowledgeable in the area of Federal Government contracting policies and procedures who will act to ensure the Contractor's compliance with the terms of this Agreement. The Ombudsperson will act as an alternative channel of communication for Daewoo employees and other interested individuals who wish to report what they consider to be infractions or violations of the Contractor's Code of Corporate Conduct or ask questions regarding the Code.

14. "Temporary workers" shall mean persons who have worked for the Contractor for more than ninety (90) days.

15. "U.S.C." refers to the United States Code.

C. CONTRACTOR RESPONSIBILITY PROGRAM

1. Existing Program Elements. The Contractor has the framework for a company-wide Contractor Responsibility Program which provides the institutional means for achieving present responsibility as a Government contractor. As of the Effective Date, the Contractor has established or will establish within the time provided for by this Agreement, the following elements of its Contractor Responsibility Program:

- a. Code of Corporate Conduct. The Contractor has established and continues to have in place corporate compliance and ethics policies, programs, procedures and training as part of its ongoing business practices. These include the Ethical Management program of corporate conduct setting forth the Contractor's basic principles and standards for ethical business conduct and integrity, and establishing the responsibility of individual employees to comply with all applicable laws and regulations. All of the Contractor's employees must annually receive training, web-based or otherwise, regarding the Ethical Management program and the Contractor's employees understand that they are required to

comply with its provisions. The record of each employee's participation in the annual Ethical Management program training must be maintained in the education system of the Contractor.

b. Management Involvement and Overall Integration of Contractor Responsibility Program.

(i) The Executive Officer, directly or through committees, assesses the activities and responsibilities of the Contractor Responsibility Program, including the compliance activities of the Contractor.

(ii) The Contractor has established an Ethical Management Committee at the Daewoo division levels. The Ethical Management Committee is supported by the Ethical Auditing Team, and Ethical Management Execution Body. The Ethical Management Committee is staffed by members of the human resources department, legal department, and/or finance department, and/or the compliance official at each level and is responsible to ensure that the Contractor Responsibility Program includes a formal and documented process for investigating potential violations of the Ethical Management program relating to contracts with the Government. The Ethical Management Committee also has the responsibility of assigning investigative teams to address potential violations of the Ethical Management program after they are discovered and reported. Within 60 days of the Effective Date of this Agreement, the Contractor will prepare a written policy detailing the operation of the Ethical Management Committee.

(iii) Within 30 days of the Effective Date of this Agreement, the Contractor will nominate an Ombudsperson to receive and investigate reports of possible violations of the Ethical Management program relating to contracts with the Government.

(iv) All issues giving rise to an investigation by the Ethical Auditing Team or Ombudsperson relating to contracts with the Government will be registered and recorded in the Contractor's compliance tracking system. Within 30 days of the Effective Date of this Agreement, the Contractor will implement a system to track and document all actions taken from the beginning of the investigation until issue resolution. The system will be available by electronic means and have a sufficient level of security. The system will be accessible by the Ethical Auditing Team and Ombudsperson. When necessary, the Contractor's Legal Department and Chief Ethics & Compliance Officer will also be provided access to the system.

c. Ethics and Compliance Training.

(i) Ethical Management Training. The Contractor must provide training for its employees regarding the Ethical Management program and revisions thereto. The record of each employee's participation in the Ethical Management program training must be maintained in the education system of the Contractor.

(ii) Government Contracting Training. Within 120 days of the Effective Date of this Agreement, the Contractor will provide employees with Government contracting training opportunities. The training program will include topics covering the more critical issues faced by the Contractor when preparing for, entering into, and administering contracts with the Government. The Contractor must target certain employees who are directly involved with formation and the performance of Government contracts to receive specialized training in procurement laws, regulations, and policies. Like the Ethical Management training, the record of each employee's participation in the Government Contracting Training will be maintained in the education system of the Contractor.

(iii) Frequency and Certification of Training. The Contractor will conduct and update the Ethical Management program and Government Contracting Training annually. The record of each employee's participation in the Ethical Management program and Government Contracting Training will be maintained in the education system of the Contractor.

d. Government Contracting Policies and Procedures. Within 120 days of the Effective Date of this Agreement, the Contractor will develop a set of Government contracting compliance policies and procedures setting forth the Contractor's compliance obligations under relevant United States law and regulation. Specific policy and procedures will also be created for subordinate Daewoo entities. The Contractor will submit the policy and procedures to the Army for review and in advance of promulgation unless immediate promulgation is required by law. The Contractor annually will review and update the policy and procedures as necessary. The Contractor shall monitor employee compliance with the policy and procedures, and consider such compliance when making decisions concerning personnel decisions, including compensation.

e. Employee Internet-based Compliance Website. In addition to the Ethical Management Committee and Ombudsperson, the Contractor will maintain an internet-based compliance website which is available to receive information 24 hours a day, 7 days a week.

The website must be available so that employees may report to the Contractor any violations of the Ethical Management program. In reporting the alleged violation, employees are given the option to do so anonymously, in accordance with local law and regulation. Information on how to use or access the website is readily available to all employees. Information relating to contracts with the Government gathered and learned from the website is provided to the Ethical Management Committee and Ombudsperson, who may initiate investigations as appropriate.

f. Compliance Issue Updates. Contractor will publish periodic updates on compliance issues and related matters on its employee intranet website.

g. Management Training Program. Within 120 days of the Effective Date of this Agreement, the Contractor will develop and implement, as part of its management

development program, training regarding ethical behavior and adherence to the Contractor Responsibility Program. Personnel identified for managerial positions will be informed that the Ethical Management program is incorporated in employee performance assessments and is considered when evaluating competency for advancement within the corporation, as well as for compensation purposes.

2. Required Program Elements. The following steps and procedures shall be implemented as part of this Agreement:

a. Code of Corporate Conduct.

(i) The Contractor shall maintain, and, as necessary, revise, the Ethical Management program to ensure that the Contractor maintains the business integrity and honesty required of a Government contractor, and that the Contractor's performance is in strict compliance with the terms and conditions of its Government contracts.

(ii) The Contractor, when possible without violation of applicable local law or regulation, shall add a requirement in the Ethical Management program that, through the use of the Contractor's compliance website, employees may report any violation of the Ethical Management program relating to contracts with the Government, whether committed by the Contractor, a vendor, a subcontractor, or a Government employee.

(iii) Within 120 days of the Effective Date of this Agreement, Contractor shall submit a complete written description of its Ethical Management program to the Army for written approval. If the Army objects to the program as failing to meet the requirements of this Agreement, Contractor shall promptly revise the Ethical Management program to meet the Army's objections and resubmit it for approval.

b. Management Involvement and Overall Integration of Contractor Responsibility Program.

(i) Within 90 days of the Effective Date of this Agreement, the Contractor will implement a uniform system for reporting findings of all complaints relating to contracts with the Government submitted through the Ethical Management Committee, Ombudsperson, or website. Such system may utilize any means deemed appropriate to the Contractor; however, at a minimum, the reporting system must contain the following elements: 1) identification of the accused individual (unless circumstances warrant protecting the individual's identity further) and business unit; 2) a description of the allegations; 3) a listing of the investigating personnel; 4) the date of the initial report/complaint; 5) the resolution to the issue; and 6) recommendation regarding additional or preventative action to be taken. These reports shall contain supporting documents collected during the course of the investigation as attachments. This system, once approved by the Army and the Ombudsperson, shall be applied to all investigations.

(ii) Within 120 days of the Effective Date of this Agreement, the Contractor will develop and/or update its written corporate policies and procedures to ensure uniform application of the Contractor Responsibility Program relating to contracts with the Government. These policies and procedures shall be provided to the Ombudsperson and the Army for review and will be the basis for the development of training materials regarding the implementation of the Contractor Responsibility Program.

c. Ethics and Compliance Training.

(i) Army Approval of Training Plans. Within 90 days of the Army's approval of the update of the Contractor's Ethical Management program, the Contractor shall provide the Army and the Ombudsperson a training plan with a detailed description of course materials it intends to use in training classes relating to contracts with the Government. If the Army rejects the plan, the Army will specify the reasons for doing so and the Contractor will promptly propose another plan.

(ii) Notice of Training. Upon request, the Contractor will provide the Ombudsperson and/or the Army a schedule of upcoming ethics and Government contracting training sessions so the Ombudsperson and/or the Army may attend the training.

(iii) Within 60 days of the approval of the training plan by the Army, pursuant to paragraph (i) above, the Contractor shall commence training of all employees directly involved with the formation and performance of Government contracts, including specialized training in laws, regulations, and contractor policies and procedures related to contracts with the Government. The Contractor shall maintain a record that the relevant employees have attended the training, received a copy of the Government contracting compliance policies and procedures, and were familiarized with its requirements. Within 90 days of being hired, the Contractor shall ensure that those employees involved in the Government contracting process receive training in laws, regulations, and contractor policies and procedures related to contracts with the Government and a copy of the Government contracting compliance policies and procedures. The Contractor shall maintain a record that the relevant employees have attended the training, received a copy of the Government contracting compliance policies and procedures, and were familiarized with its requirements.

d. Employee Internet-based Compliance Website. The Chief Ethics & Compliance Officer shall ensure that a record is maintained of all website submissions, or employee reports to the Ethical Management Committee or Ombudsperson, to include: date and time of submission; identity of submitter, if disclosed; summary of allegation or inquiry; and general resolution or referral. The Contractor shall require that each report is adequately investigated and resolved. Access to this information will be granted to the Ombudsperson solely to facilitate the duties described in Section C.4(f) of this Agreement and, at its request, the Army. The Contractor shall not assert an attorney-client or work-product privilege with respect to the relevant contents.

e. Notification to Employees of this Agreement. Within 60 days of the Effective Date of this Agreement, Contractor's Chief Executive Officer shall prepare and display, in places sufficiently prominent to be accessible to all employees, a letter stating that the Contractor has entered into this Agreement at facilities in the United States. A copy of the Chief Executive Officer's letter will be forwarded to the Army for approval prior to distribution. The letter shall state:

(i) The basis for this Agreement;

(ii) Contractor's commitment to observe all applicable laws and regulations, and to maintain the highest standards in conducting business with the United States Government;

(iii) A brief description of the features of the Contractor Responsibility Program;

(iv) The internet address for the compliance website, and contact information of the Ombudsperson.

(v) The availability of the Chief Ethics & Compliance Officer or his designee and the Ombudsperson to answer questions concerning the Ethical Management Committee;

(vi) Employees' ability to report matters relating to contracts with the Government to the Ethical Management Committee or Ombudsperson, who may conduct an investigation, including a recommendation of corrective action; and

(vii) That employees may make reports of violations of the Ethical Management program relating to contracts with the Government without revealing their identity, when such anonymity is possible without violation of applicable local law or regulation.

f. On an annual basis, the Ombudsperson and the Contractor's Board of Directors shall meet to discuss the implementation of this Agreement, the status of ongoing investigations and other matters.

g. The Contractor shall submit written reports at the request of the Ombudsperson for the purpose of preparing reports to the Army as specified in Section C.5 of this Agreement.

3. Chief Ethics & Compliance Officer. Within 30 days of the Effective Date of this Agreement, Contractor shall appoint a Chief Ethics & Compliance Officer to oversee its Corporate Responsibility Program. The Chief Ethics & Compliance Officer has direct reporting responsibilities to the Contractor's President and Chief Executive Officer, shall serve as the Contractor's first point of contact for all questions regarding the terms and conditions of this Agreement and Contractor implementation of this Agreement, investigate complaints concerning Contractor's compliance with this Agreement, and report to the Army concerning Contractor's

compliance with this Agreement. Any change in the Chief Ethics & Compliance Officer shall require prior Army approval.

4. Ombudsperson.

- a. General. The Ombudsperson is responsible for monitoring and assessing the Contractor's compliance with the terms of this Agreement to ensure that the Contractor performs its obligations in a timely and satisfactory manner.
- b. Appointment. Within 30 days of the Effective Date of this Agreement, Contractor shall nominate a qualified person to serve as an Ombudsperson at Contractor's expense for the oversight of this Agreement. The nomination will be subject to approval by the Army.
- c. Removal of the Ombudsperson. Any change of the Ombudsperson requires prior Army approval. At any time, should the Army become dissatisfied with the performance of the Ombudsperson, the Army may require the Contractor to nominate a new Ombudsperson again subject to Army approval.
- d. Nature of Employment. The Army intends for the Ombudsperson to act as an independent check upon the Contractor's compliance with this Agreement. The Ombudsperson shall not be an agent of the Contractor, and his work shall not be subject to the Contractor's assertion of the attorney-client privilege or the work-product doctrine. The Army also intends that the Ombudsperson will work with the Contractor's management team in implementing this Agreement. The Ombudsperson will be consulted by both parties regarding questions concerning the terms and conditions of this Agreement, and will, at his discretion, investigate complaints concerning the Contractor's compliance with this Agreement, and will report to the Army concerning the Contractor's compliance with this Agreement. The Ombudsperson may, as he reasonably requires, consult with other counsel, at Contractor's reasonable expense, in performing any of his responsibilities under this Agreement.
- e. Annual Certification of Independence. Upon nomination, and upon each anniversary of the Effective Date of this Agreement during its tenure, the Ombudsperson shall furnish the Army with an affidavit certifying that he has no financial interest in, or other relationship with, the Contractor or its affiliates, other than that arising from his appointment as the Ombudsperson. The affidavit must also certify that his representation of any other client will not create a conflict of interest or appearance thereof in fulfilling his responsibilities as Ombudsperson. Any change in relationships that would affect these certifications must be reported to the Army before they occur or as soon as the Ombudsperson or Contractor learns of them.
- f. Duties. The Ombudsperson's duties shall include:

- (i) Verification of the implementation of the Contractor Responsibility Program described in Section C of this Agreement.
 - (ii) Investigation of allegations of violations of this Agreement and matters arising under the Contractor Responsibility Program involving violations of Government contract laws, rules, and regulations, or other matters relating to contracts with the Government that raise questions concerning the Contractor's present responsibility. For this purpose, the Ombudsperson, at the conclusion of each of his investigations, shall provide a written report to the Contractor's Chief Ethics & Compliance Officer and to the Army, detailing the substance of the allegations, evidence revealed by the investigation, and the findings and recommendations. The Contractor shall take corrective actions where appropriate. The Ombudsperson's complete investigative file shall be furnished to the Army. This provision does not impact the Contractor's responsibility pursuant to the Mandatory Disclosure Program (73 Fed.Reg 67067 – 67093 (November 12, 2008)).
 - (iii) Review of investigations made by the Contractor in accordance with the provisions of Section C.4 of this Agreement.
 - (iv) Preparation and submission of reports to the Army as specified in Section C.5 of this Agreement.
 - (v) Attending and monitoring employee participation in the Ethical Management program and Government contract training as he deems appropriate.
 - (vi) On an annual basis, the Ombudsperson and the Contractor's Board of Directors shall meet to discuss the implementation of this Agreement, the status of ongoing investigations and other matters. In addition, when necessary, but not less than semi-annually, the Ombudsperson shall meet with the management of any of the Contractor's divisions, operating units, groups, value centers and other subsidiaries, to discuss the progress of implementing the Contractor Responsibility Program described in Section C of this Agreement. Notice of such meetings shall be provided to the Army by the Ombudsperson not less than 30 days in advance to allow for attendance by the Army.
 - (vii) Performance of other duties as described elsewhere in this Agreement, or as deemed reasonably necessary by the Ombudsperson, or the Army.
- g. Staff. The Contractor agrees that the Ombudsperson shall:
- (i) Have sufficient staff and resources, as reasonably determined by the Ombudsperson, to effectively monitor the Contractor's compliance with this Agreement; and
 - (ii) Have the right to select and hire outside expertise as reasonably necessary to effectively monitor Daewoo's compliance with this Agreement.

- h. Fees and Expenses. The Contractor agrees to pay the reasonable fees and expenses associated with an Ombudsperson for this Agreement as negotiated between the Contractor and the Ombudsperson.
- i. Inspections. The Contractor agrees to reimburse the Army for the reasonable fees and expenses associated with the Army Procurement Fraud Branch site inspections for compliance with this Agreement.

5. Reports to the Army.

- a. The Ombudsperson shall submit a quarterly report to the Army that is postmarked no later than seven days after the first day of October, January, April, and July, as appropriate, of each year that this Agreement is in effect, until this Agreement has expired. The report shall include:
 - (i) A description of the training conducted that is required by this Agreement and the number of persons who attended, including a statement of the percentage of total employees trained year to date as of the date of the report.
 - (ii) The total number of internet submissions and other contacts made or referred to the Ombudsperson. This part of the report shall include:
 - (1) The means by which any alleged misconduct was reported (e.g., call, letter, or drop-in visit, electronic means, etc.);
 - (2) The category of any alleged misconduct (e.g., product substitution, mischarging, defective pricing, etc.) and a brief descriptive summary thereof;
 - (3) Whether the alleged misconduct was substantiated, in whole or in part;
 - (4) Whether disciplinary action was imposed and if so, a description of that action;
 - (5) Whether corrective measures other than disciplinary actions were taken and if so, a description of those actions. Matters pending resolution at the time of a reporting period shall be included in each subsequent report until final resolutions of the matters are reported;
 - (iii) Whether any investigations utilizing third party resources have been initiated and the status of previously reported investigations utilizing third party resources as required by Section C.4(f) of this Agreement.
- b. In addition, the Contractor and the Ombudsperson shall submit a report to the Army that is postmarked no later than 14 days after the second anniversary date of the Agreement reviewing the Contractor's compliance with the Agreement and the ethics environment

within the company. The report shall be reviewed by the Army and a review of the Contractor's performance under this Agreement shall be made to the SDO by the Ombudsperson. This report, at a minimum, shall include a discussion of the following:

- (i) The state of the Contractor's compliance programs, including progress made by the company during the term of this Agreement;
 - (ii) A discussion of Contractor's training program and its compliance with this requirement;
 - (iii) A summary of actions as Ombudsperson;
 - (iv) A list of recommendations and/or "lessons learned"; and
 - (v) A discussion of any other topic relevant to the Agreement.
- c. At the conclusion of the Agreement, the Ombudsperson shall prepare a report for review by the SDO. This report shall include information regarding investigations conducted by the Ombudsperson, information regarding the Contractor's implementation of the Contractor Responsibility Program, a summary of internet reports reviewed pursuant to this Agreement, and any other topics requested by the Army.

D. GENERAL CONDITIONS

1. Unallowable Costs. All unallowable costs, as described in FAR 31.205-47, incurred for or on behalf of Contractor in response to or in preparation of Government civil, or administrative actions related to alleged violations described in the Section A of this Agreement shall be deemed unallowable costs, direct or indirect, for Government contract purposes. These unallowable amounts shall be separately accounted for by the Contractor by identification of costs incurred: a) through accounting records to the extent possible; b) through memorandum records, including diaries and formal logs, regardless of whether such records are part of official corporate documentation, where accounting records are not available; and c) through good faith itemized estimates where no other reasonable accounting basis is available.

2. Allowable Costs. The costs of all self-governance normally required under FAR 9.104-1 and DFARS 203.7001, including the compliance, or ethics programs, activities and offices in existence as of the Effective Date and which are continued by the terms of this Agreement shall be allowable costs to the extent otherwise permitted by law and regulation.

3. Modifications of This Agreement. Any requirements imposed on Contractor by this Agreement may be discontinued by the SDO at his sole discretion. Other modifications to this Agreement may be made only in writing and upon mutual consent of the parties to this Agreement.

4. Approvals. Where this Agreement requires approval by the Army, or other action or response by the Army, the Chief, Procurement Fraud Branch or his/her designee, will normally provide such action. This does not restrict the ability of the SDO to take such action as he may elect.

5. Business Relationships with Suspended or Debarred Entities. Contractor shall not knowingly subcontract or enter into any business relationship in support of a U.S. Government prime contract with any individual or business entity that is listed by the General Services Administration (GSA) as debarred, suspended, or proposed for debarment. In order to implement this provision, the Contractor shall make reasonable inquiry into the status of any such potential business partner, to include, at a minimum, review of the GSA's Excluded Parties List System.¹

6. Public Document. This Agreement is a public document. It, and any attachments, appendices, addendums and/or modifications, will be posted on the publicly assessable Army Fraud Fighter's Website.²

7. Release of Liability. Contractor releases the United States, its instrumentalities, agents, and employees in their official and personal capacities, of any and all liability or claims, monetary or equitable, arising out of the negotiation of, and entry into, this Agreement.

8. Legal Proceedings. Contractor will provide, within 30 days of the Date of this Agreement, a listing and status of all known ongoing criminal, civil and administrative investigations and proceedings conducted by any Government entity with regard to any allegation relating to the Contractor's violation of government contracts law or regulation.

9. Information Sharing. The Contractor agrees that the Army, at its sole discretion, may disclose to any Government department or agency any information, testimony, document, record or other materials relating to contracts with the Government and provided pursuant to this Agreement. Such disclosures shall be subject to 18 U.S.C. § 1905 and other applicable exemptions to the Freedom of Information Act.

10. Scope of This Agreement - Suspension and Debarment for Independent Cause. Upon the Effective Date of this Agreement, the Government agrees Daewoo will no longer be proposed for debarment and will not be debarred or suspended for any of the events or actions giving rise to this Agreement. This Agreement in no way restricts the authority, responsibility,

¹ Available at:

<http://www.epls.gov/epl/servlet/EPLSearchMain/1>

² Available at:

<https://jagcnet.army.mil/JAGCNETPortals/Internet/Portals/AC/affportal.nsf>

or legal duty of the Army, or any other federal agency to consider and institute suspension or debarment proceedings against the Contractor based upon information constituting independent cause for suspension or debarment concerning events related or unrelated to the facts and circumstances set out herein, including, but not restricted to, any substantive allegations of wrongdoing under any past, present, or future Contractor Responsibility Program investigations. The Army or any other federal agency may, in its sole discretion, initiate such proceedings in accordance with the FAR Subpart 9.4.

- a. The Army reserves the right to require additional protective measures or modifications of this Agreement if an independent cause for suspension or debarment should arise. Failure to institute such proposed measures may constitute an independent cause for debarment of the Contractor in accordance with FAR Subpart 9.4.
- b. Suspension and/or debarment may be initiated at any time under the same facts and circumstances underlying this Agreement should further information become available that indicates such action is necessary to protect the Government's interests.
- c. Upon conclusive evidence that the Contractor has misrepresented any aspect of its proffer in connection with this Agreement, the Army may take suspension or debarment action as appropriate. Any such misrepresentation or material breach of this Agreement will be regarded as cause for debarment.

11. Survival of This Agreement. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and assigns, unless the new owners request and show good cause why it should not be applicable to their operations. Bankruptcy proceedings shall not prevent or stay the enforcement of this Agreement or any debarment proceedings the Army deems to be appropriate should the parties fail to comply with the terms of this Agreement, or engage in such other conduct that is a cause for suspension or debarment.

12. Truth and Accuracy of Submissions. Contractor represents that all written materials and other information supplied to the Army by its authorized representatives during the course of discussion with the Army preceding this Agreement are true and accurate in all material respects, to the best of the Contractor's information and belief, false statements are punishable under 18 U.S.C. § 1001.

13. Violations of this Agreement. Any violation of this Agreement that is not corrected within 30 days from the date of receipt of notice from the Army may constitute an independent cause for debarment. If correction is not possible within 30 days, the Contractor shall present an acceptable plan for correction within that 30-day period. The Army may, at its sole discretion, initiate suspension or debarment proceedings in accordance with FAR Subpart 9.4 for any failure to come into compliance. Alternatively, in the event of any noncompliance, the Army may in its sole discretion extend this Agreement for a period equal to the period of noncompliance. Contractor does not, by this Agreement or otherwise, waive its right to oppose such action under

FAR Subpart 9.4, or any other substantive, procedural, or due process rights it may have under the Constitution or other applicable laws or regulations of the United States.

14. Press Releases. The Contractor agrees that it will cooperate in good faith with the Army regarding any press release related to this Agreement. The Contractor will not unilaterally release any press release related to this Agreement without first obtaining Army approval, which the Army agrees to timely review and not to unreasonably withhold.

15. Agreement. This Agreement, and its attachments, constitute the entire agreement between the Army and the Contractor related to debarment, and supersedes all prior agreements or understandings, oral or written, with respect to the subject matter of this action.

E. ADMINISTRATION OF AGREEMENT

1. Addresses for Agreement Correspondence. All submissions required by this Agreement shall be delivered to the following addresses, or such other addresses as the parties may designate in writing.

If to the Army:

Procurement Fraud Branch
Contract and Fiscal Law Division
U.S. Army Legal Services Agency
ATTN: DAJA-PFB (Trevor B. A. Nelson)
901 North Stuart Street - Suite 700
Arlington, Virginia 22203-1837

If to the Contractor:

Hyun, Dong Ho
Chief Ethics and Compliance Officer
Daewoo Engineering & Construction Co. Ltd.
57 Sinmunno 1-ga, Jongno-gu
SEOUL 110-713, KOREA

2. Certification of Compliance. Within 120 days of the Effective Date of this Agreement, Contractor will provide the Army with a certification that all terms and conditions of this Agreement have been implemented or will be satisfied within the times specified in this Agreement.

3. Access to Books and Records.

- a. During the term of this Agreement, the Army Procurement Fraud Branch (PFB), the Ombudsperson or any agency or office of the Department of Defense designated by PFB for a particular inquiry, shall have the right to examine, audit, and reproduce Contractor's books, records, documents, and supporting materials related to any report, allegation or complaint of suspected violation of law or regulation relating to contracts with the Government, whether criminal, civil, administrative, or contractual and whether reported through the internet program, or by any other means, and any resulting inquiries or investigations related thereto. Such reports, inquiries, investigations, and all related books, records, documents and supporting material are considered by Contractor to be administrative and managerial and are not investigations, books, records, documents, material, reports, or investigations protected by the attorney-client privilege or any other privilege.
- b. PFB, the Ombudsperson and/or their designees shall have the opportunity to review the books, records, documents, materials, reports, and investigations directly related to compliance with this Agreement.
- c. PFB, the Ombudsperson and/or their designees shall also have the opportunity to interview any Contractor employee for the purpose of evaluating: (1) compliance with the terms of this Agreement; (2) future compliance with federal procurement policies and

regulations; and (3) maintenance of the high level of business integrity and honesty required of a Government contractor.

- d. The interviews and materials described above shall be made available to PFB, the Ombudsperson and/or their designee(s) at company offices at reasonable times. Contractor's obligation under this Agreement with respect to employee interviews is limited to making its employees available for an interview at their place of employment during normal business hours. The individual employee shall have the right to determine whether or not to submit to an interview. At all times, the Army shall use its best efforts to protect Daewoo's confidential and proprietary business information from public disclosure.
- e. The materials described above shall be made available at Contractor's offices at reasonable times for inspection, audit, or reproduction. Neither PFB, the Ombudsperson nor their designees shall copy or remove Contractor's technical or other proprietary data without Contractor's permission.

4. Corporate Officer List. Contractor shall provide the Army with a list of its directors and officers and a copy of its organizational chart, which will be updated, as changes occur.

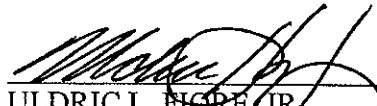
5. Administrative Costs. Within 30 days of the Effective Date of this Agreement, Contractor shall deliver a check in the amount of \$25,000.00 to the Army, payable to Treasurer of the United States, in order to compensate the Army for the cost of negotiating and administering this Agreement, to include costs associated with Army visits to Contractor and any of its divisions or its subsidiaries authorized under this Agreement.

6. Expiration. This Agreement shall expire at midnight not later than five years after the Effective Date of this Agreement.

7. Governing Law. This Agreement shall be governed by the laws of the United States with regard to all matters arising under and individuals located within the United States.


BOM SIK CHO

Vice President
Daewoo Engineering &
Construction Co., Ltd.


ULDRIC L. FIGURE JR.
Army Suspension and Debarment Official

Oct. 26, 2010
DATE

26 October 2010
DATE